

# Economics 100: Economics for the Citizen

## Instructor:

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Office Hours: by appointment.

**Meeting times and place:** The class is entirely online. I will post video lectures onto the class's Dropbox account. Shortly before the course starts, you should receive an email from Dropbox instructing you how to access the account. Please email me if you do not receive such an email.

The class will not meet in-person, so you will largely be free to “attend” class (i.e. watch the videos) whenever you desire. Nevertheless, in many ways I will pretend that the class meets every Tues. and Thurs. from 9:00am to 10:15am. Most importantly, it means that the three exams (two midterms and a final) will be scheduled during those class times. For these three cases you will not be free to “attend” the session whenever you like. You will be required to take the exams at the scheduled time. This means between 9:00am and 10:15am on a Tuesday or Thursday. Also, I will make homework assignments due before a particular session “meets”. That means you must turn in the homework before 9:00am on the Tuesday or Thursday that the session is scheduled to meet.

**Requirements:** For the exams you will be required to use the Respondus Lockdown software (which you can access from Blackboard). To use this, you must have a computer that has a camera to record you taking the exam. (E.g. Chromebook computers, at least the older versions, do not have such a camera.) If you do not have a computer that can use Respondus, you must make arrangements to borrow such a computer for the exams.

**Textbook:** Paul Heyne, Peter Boettke, and Dave Prychitko, *The Economic Way of Thinking*, 13<sup>th</sup> Edition (Prentice Hall). The 12<sup>th</sup> edition also will be fine for the course.

**Assignments:** Besides the exams, your grade will also depend upon how well you do at approximately a dozen written homework assignments.

## Exam Dates:

First midterm exam: Thursday, March 4<sup>th</sup>, 9:00am – 10:15am  
Second midterm exam: Thursday, April 15<sup>th</sup>, 9:00am-10:15am  
Final exam: Thursday, May 6<sup>th</sup>, 9:00am-10:15am

**Homework and Exam Weights:** Your final grade for the course will be determined by your performance on the examinations and homework. The average of your homework grades will

comprise 20% of your grade. Each of the two mid-term exams will comprise 25% of your grade. And the final exam is will comprise<sup>[1]</sup><sub>SEP</sub>30% of your grade.

**Grading Scale:** 99-100, A+; 92-97, A; 90-91, A-; 88-89, B+; 82-87, B; 80-81, B-; 78-79, C+; 72-77, C; 70-71, C-; 60-69, D. Below 60 is an F. These numbers are firm. If the weighted average of your three exam grades is 89, you will have earned a B+ for the course – not an A-. Please do not ask me to raise your grade. I never grant such requests. (Yes, I do round. For example, if your final weighted-average grade is 69.5, you've earned a C- for the course, but if your final weighted-average grade is 69.49, you've earned a D, and that's the grade that I will report.)

**Challenging Exam Grading:** If I committed an arithmetical error in calculating your exam grade, please notify me as soon as you discover the error. I will correct the mistake immediately. Otherwise, any objections you have to the way I grade your exams must be expressed to me in writing. Submit to me a typed paragraph or two explaining why you believe that your answer deserves more credit than I gave it.

**Early and Late exams:** With few exceptions, you must take the exam at the required time. To take it late, you must have been hampered by an illness or a death in your family. I will require proof such as a doctor's note or funeral program. If you miss the exam for any other reason, I'll allow you to take it late, but I will re-write questions and deduct 30 points from your score. To take the exam early, you must have a good excuse. Basically, the only allowable excuses will involve another course – eg that you are taking an in-class GMU course that meets at the time of our exam. Other excuses – e.g. "My boss required me to work" or "I had to attend my sister's wedding" – are not allowable. If you take the exam early, I will strongly prefer – and may require – that you take the exam earlier on the day of the exam. This will most likely be 7:45am. To take the exam early, you must send me a written request at least five days before the scheduled beginning of the exam.

**Cheating:** Unfortunately, the online nature of the course makes it easy for students to cheat on exams. Consequently, I will take some efforts to prevent cheating. One is that all the exams will be done via Respondus Lockdown. As I mentioned above, you must have a computer that can accommodate this software. (Most important, your computer must have a camera.) Before the first midterm, I will set up a practice test so students can make sure that they know how to use Respondus. You will not be required to take the practice test. But if you don't, and you have some sort of computer problem when you take the actual test, I will be less sympathetic and more willing to charge penalty points. Second, I will try to make all students take the exam simultaneously. This helps to prevent things like students emailing other students to tell them the questions that are on the exam. Third, I do not allow students to use cell phones, calculators, or scratch paper during the exam. I would prefer to allow students to use calculators and scratch paper. The problem, however, is that this allows students to disguise their cheating. Eg, they can secretly place their cell phone out of view of their computer's camera and look up answers on the internet. When the video shows their eyes looking away from their computer screens they can falsely claim that they were looking at scratch paper or a calculator. As a consequence, I will not ask questions on the exam that involve calculations that require a calculator or scratch paper. Fourth, and perhaps most controversial, I might occasionally put a question on an exam that is impossible for students to answer without consulting the internet. E.g., on a previous

exam, I asked who is the author of the book *Retreat to Commitment*. The course had not discussed this book, nor its author. Yet, a number of students gave the correct answer. Reasonable people will suspect that the students looked up the answer on the internet during the exam. I charged many of these students with cheating and referred them to GMU's Office of Academic Integrity.

As you can see, I take cheating very seriously, probably more seriously than other GMU professors. If you are uncomfortable with this, you might want to withdraw from the course.

### Tentative Schedule and Topics

Week	Date	Session
1	1/26	1 Ch. 1 - The Economic Way of Thinking
	1/28	2 Ch. 2 - Efficiency, Exchange, and Comparative Advantage
2	2/2	3 Ch. 2, cont.
	2/4	4 Ch. 3. - Demand: Substitutes Everywhere
3	2/9	5 Ch. 3, cont.
	2/11	6 Ch. 4 - Costs and Choice
4	2/16	7 Ch. 5 - Supply and Demand
	2/18	8 Ch. 5, cont.
5	2/23	9 Ch. 6 - Unintended Consequences
	2/25	10 Ch. 7 - Profit and Loss
6	3/2	11 Ch. 7, cont.
	3/4	12 1st Midterm
7	3/9	13 Ch. 9 Competition and Government Policy
	3/11	14 Ch. 10 - Externalities and Conflicting Rights
8	3/16	15 Ch. 10, cont.
	3/18	16 Ch. 11 - Markets and Government
9	3/23	17 Ch. 11, cont.
	3/25	18 Ch. 12 - The Distribution of Income
10	3/30	19 Ch. 12, cont.
	4/1	20 Ch. 13 - Measuring the Overall Performance of the Economy
11	4/6	21 Ch. 13, cont.
	4/8	22 Ch. 14 - Money
12	4/13	23 Ch. 14, cont.
	4/15	24 2nd Midterm
13	4/20	25 Ch. 15 - Economic Performance and Real-World Politics
	4/22	26 Ch. 15, cont.
14	4/27	27 Ch. 16 – The Wealth of Nations
	4/29	28 Review
	5/6, 9:00am - 10:15am	Final exam

**Homework Assignments:** During the course, you will be required to complete about a dozen homework assignments. For each, I will usually assign 1-3 mandatory questions, plus some additional optional questions. You must answer all the mandatory questions, plus you must write at least 2/3 of a page (approximately 150 words) answering mandatory and optional questions. For instance, suppose for a particular chapter I assigned questions 2 and 3 (at the end of the chapter) as mandatory questions and assigned questions 4, 5, and 6 as optional questions. Then you must write answers for questions 2 and 3. Suppose those answers filled only 1/3 of a page. Then you would need to fill at least another third of a page with answers from questions 4, 5, and 6. You don't need to answer all the optional questions. For example, suppose your answer to question 4 filled 1/3 of a page. If so, you would not need to answer questions 5 and 6.

Your assignment is due by 9am on the session day that I specify. For instance, as the table below notes, Assignment 1 is due on session 3. This means it is due before 9am on Feb. 2.

To turn in your assignment: Log onto Blackboard. Under "Courses", click on our course. On the left tab, click on "Assignments". Find the specific assignment number and upload your written assignment.

If you need help navigating Blackboard, please write Amberly Dozier, one of the teaching assistants for the course. Her email address is [adozier2@gmu.edu](mailto:adozier2@gmu.edu).

You must turn in an MS Word or pdf file. However, if you are having an emergency and are worried about making the deadline for turning an assignment – say your scanner won't work – you may turn in a photo of your homework. However, within two days you must turn in a pdf or MS Word version of your homework. You may only do this once during the course. If you don't send in a pdf or MS Word file, or send in a photo more than once, we'll deduct 20 points from your homework.

Eventually, you will be able to access your graded assignment on Blackboard.

It is fine if you consult others, including fellow students, for help on the assignments. You may not, however, copy answers. If you rewrite another student's answers in your own words, that will be okay.

You are also encouraged to email me ([timgroseclose@gmail.com](mailto:timgroseclose@gmail.com)) or Amberly if you need help.

You will receive 70 points just for writing at least 2/3 of a page and turning in the assignment on time. We will grade the mandatory questions for accuracy. You will receive up to 30 additional points for writing correct answers on these questions. If you are late in turning in an assignment, you can still turn it in – anytime before the last session of class. However, if you are late, we will multiply your grade by .7.

After the assignment is due, I will post a video on Dropbox of me explaining the answers.

The following table lists the homework assignment number, the chapter that the assignment covers (from the course’s textbook), the session number on which it is due, the mandatory questions, the optional questions, and the file of the video in which I explain the answers.

HW#	Ch.	Sess. Due	Mandatory Questions	Optional Questions	Video that will explain the answers
1	2	3	1,13,14f,14g,14i* (see ft note)	3,5,8,11,15	3.d and 3.e
2	3	5	6,11	14,18,23d,24	5.c
3	4	6	21a,21b	2,7,16,22a,22b	6.c (& see 6a )
4	5	8	6e,6i	6a,6c,6d,8,9	8.b (& see 7c)
5	6	9	12	1,10a,14b,14d,14e	9.d
6	7	11	13	1a,1b, 14a	11.b,11.c (& see 10e)
(I’ll give you a break on Ch. 9. No homework.)					
7	10	15	6,20	5,11,13a&b,23a	15.a,15.c
8	11	17	19	3a,3b,8a,8b,10b,11,15	17d (& see 17c)
9	12	19	8,15a,15b	1a-c,3,5,13a,13b	19e (& see 18d)
10	13	21	10,16,21,22	1,2,4,6,13,14,16,23	21c,21d (& see 20e)
11	14	23	3b,4a,12b	6a,8,9b,12b	22e, 23c
12	15	26	See footnote <sup>†</sup>	3,6,8,9,16a,16b	26e,26g

\* There is no question 14.i in the textbook. Instead, define it as follows: “Suppose Gomer produces and consumes 100 bushels of corn and 100 bushels of strawberries. Suppose Gooper produces and consumes 50 bushes of corn and 25 bushels of strawberries. Specify new amounts of production for Gomer and Gooper, and specify a trade between them, so that both are better off – ie. both consume more corn and more strawberries than before.”

<sup>†</sup> A. Suppose an anti-Keynesian economist makes the following argument. “Government stimulus only transfers goods from one area of production to another. It doesn’t add to the total amount of goods. Government stimulus is like firewood. If the government takes firewood from one household and delivers it to another, this does nothing to change the total energy that the firewood can release.” In one or two sentences describe how, at least according to your professor, a Keynesian economist would respond.

B. You watched a video in which two actors, playing economists from the 1930s, enter a congressional hearing. A security guard allows the first economist to enter but then hassles the second economist and asks for his I.D. What’s the name of that economist?

C. What’s the name of the person who played the security guard (and also the limo driver in the first video)? What’s his normal job?

D. A school of economic thought emphasizes that there is no substitute for saving—that is, if a country wants to maximize its prosperity, its citizens must forego present consumption for future consumption. In contrast, some opposing schools of economic thought suggest that monetary stimulus can serve as a good substitute for saving. The first school is named after a European country. What is that economic school of thought?

E. What did Keynes mean by the phrase “animal spirits”?